EXHIBIT 2
DATE 1/23/07
HB 68

Ecological Response Potential to changes in Mike Horse dam

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Justification

Common Ground

- Asarco, USFS, DEQ, and downstream stakeholders agree something must be done to:
  - Reduce liability of another breach
  - Reduce metals loadings into the Upper Blackfoot
- SB200 (Lewis-R) proposes initiating a Natural Resources Damage claim
- Remedial Investigation/Feasibility Study (DNRC)
  - Determine the extent/degree of contamination to air, surface soil, sediment, surface/groundwater
  - Extent of sediment transport/dispersal due to 1975 breach
- Constant exceedance of MT WQ aquatic life standards for Cd, Cu, and Zn
- Bull trout and west slope cutthroat trout continue to decline above Landers Fork

Remediation & Restoration

- DEQ wants remediation done such that the site is ripe for restoration
- Pre/post-breach channel & floodplain configurations would compliment the RI/FS objectives
- Historical analyses can establish reference points to determine the extent of tailings dispersal
- Channel/floodplain response assessment

Project Summary

Determine ecological response potential

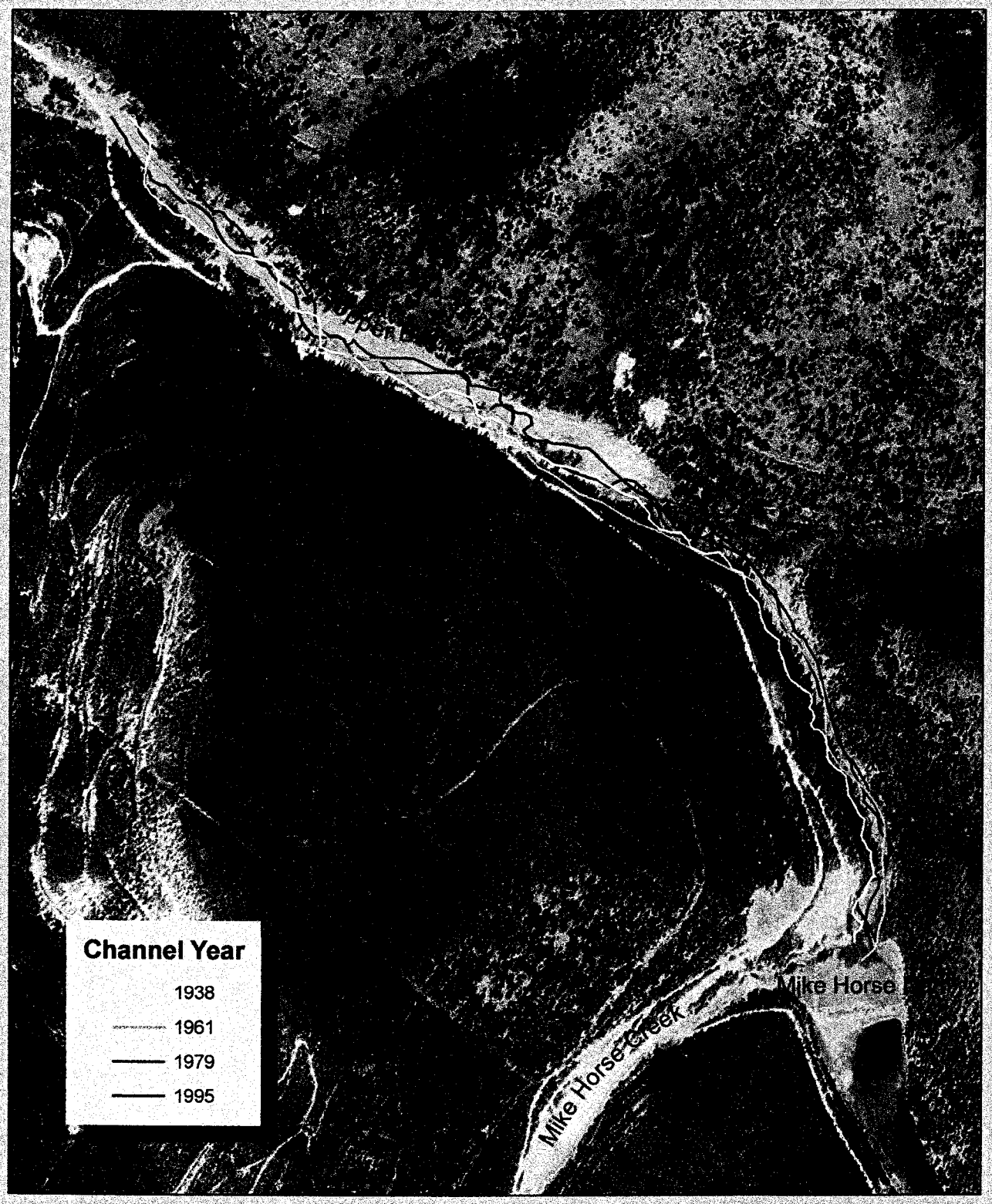
- Channel – shape/type
- Floodplain - shape
- Riparian vegetation – type/distribution

Determine effects of past/current/planned dam-related events on channel/floodplain

- Watershed analysis of topography and network structure
- Channel survey & hydrologic modeling
- Historic floodplain and channel change
  - Pre-construction 1938
  - Post-construction 1961
  - Post-breach 1979
  - Pre- dam Removal 1995
- Flood stage indicators
  - Woody debris deposits
  - Rock deposits
  - Vegetation change

Bottom Line – The data generated from this work will be valuable in the clean-up of the Upper Blackfoot Mining Complex/Blackfoot River.

Channel Change from 1938 to 1995



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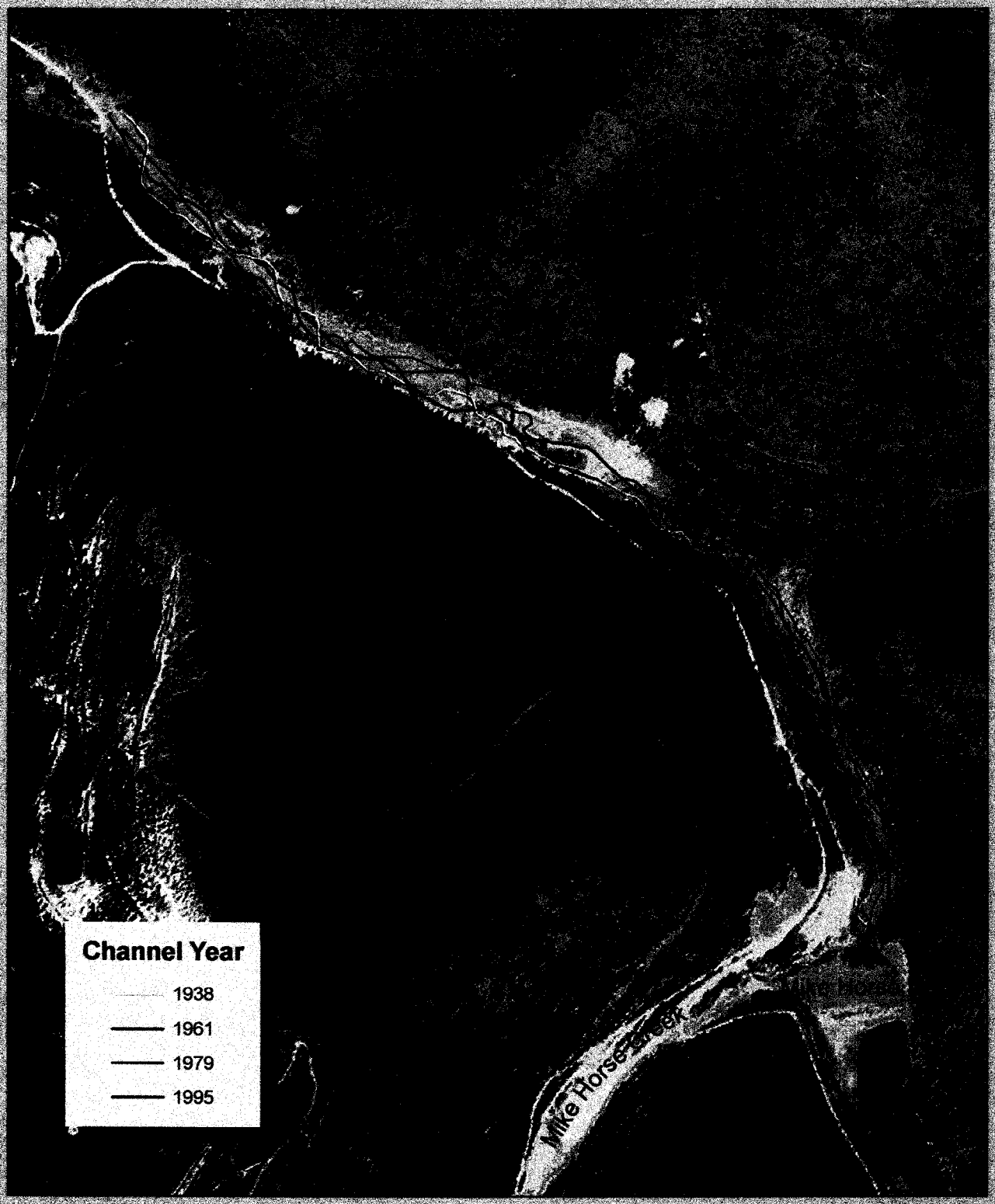

Joint Long Range Building Sub-Committee

This is to endorse the proposal submitted by Denine Schmitz to prepare a restoration plan to Restore the stream channel beneath the Mike Horse tailings pond.

I have SB 200 in process which proposes that the Natural Resources Damage Program in the Department of Justice proceed with litigation against the responsible parties to remove the dam and tailings from the drainage.

We have a very positive response from interested parties and strong support for the bill. The Department is already exploring litigation and testified that they had a good initial report on the potential for success.

If we are successful, and hope to be soon, within a few years the tailings will be removed and we will need a plan for restoration. This work needs to start now and Denine's project needs to be funded.

Thank you,

Senator Dave Lewis